

South Asia Multidisciplinary Academic Journal

Book Reviews

Lionel Baixas

Christopher Candland, Labor, Democratization and Development in India and Pakistan

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Christopher Candland, Labor, Democratization and Development in India and Pakistan, London: Routledge, 2007, 216 pages.

Lionel Baixas

[1] This book, by Christopher Candland, sets out to provide a documented analytical and empirical study of the linkages between organized labor, development, and democratization in India and Pakistan from the colonial period till date. It attempts to explain why sustained economic growth has not led to a significant diminution of poverty in either of these countries. The overall argument is that only rights-based organized labor unions can allow "the transformation of wealth into well-being". Unionism can hence sustain democratization by promoting the redistribution of wealth created through the process of capitalist accumulation.

[2] This analysis is welcome as it fills two important gaps in the study of the political economy of development and democracy in South Asia. First, it is one of the very few studies to directly address the issue of organized labor in South Asia. Second, it is an important addition to the rather neglected field of comparative studies between India and Pakistan. Moreover, Christopher Candland must be credited for putting forward a comprehensive understanding of development as a process not limited to economic growth but that includes a continuous improvement of the quality of life of the people, especially the poor, and of democracy, as more than just a set of political institutions and mechanisms, but as a system of governance that ought to deliver on social and economic rights and development in the broadest sense. Finally, he is cautious not to presuppose a causal link between democracy and development while acknowledging that an indirect and somewhat more complex link does exist.

[3] The author has produced a well-told narrative, which is both scholarly and accessible. The book is divided into five chapters plus an introduction. In the introduction, Candland justifies the choice of a comparison between India and Pakistan on the grounds that they share deep similarities and at the same time are characterized by stark differences in political regime type and in the organization of labor. As a consequence, "India and Pakistan allow for a high degree of

control for study of the influence both of political regimes on labor organizations and institutions and of labor institutions and organizations on patterns of economic and political change". He underscores a striking paradox: in spite of markedly different political regimes and economic ideologies, India and Pakistan have developed broadly similar economic systems. Until the 1990s and liberalization, the stark differences between Indian and Pakistani political regimes and organized labor structures had little impact on economic growth, which followed very similar patterns in both countries. The process of redistribution of surplus, that is "the transformation of wealth into wellbeing", has nonetheless been more effective in India than in Pakistan. According to the author, this divergence is not due to the democratic nature of India's political system but rather to the presence of a more structured and politically-based unionism, which is in turn a factor of democratization.

[4] The implementation of structural adjustment policies in Pakistan since 1988 and in India since 1991 clearly differ, particularly with regard to privatization, which has been much more far reaching in Pakistan than in India. As a result, it appears that there is no clear correlation between economic policy choice, liberal economic reforms, and political regime type. Social institutions and organizations ultimately matter more in shaping patterns of economic change than political regimes or policies; they determine the economic outcomes of reforms. This is a sobering reminder that economic 'recipes' cannot be expected to produce identical outcomes in different contexts.

[5] Upon independence, each country inherited identical colonial labor legislation. Then, each country adapted this legislation to serve its interests, in both cases by restricting and controlling the trade union movements. While Pakistani military governments weakened this movement by fragmenting it through a factory-based labor policy and by preventing unions from developing ties with political parties, Indian elected governments on the contrary favoured the development of politically powerful trade unions to serve as electoral vehicles for the major political parties. Thus, the divergent political regimes of India and Pakistan led to the implementation of two very different labor regimes. Christopher Candland persuasively argues that the comparison between India and Pakistan shows that the presence of strong unions linked with political parties can make the process of economic adjustment less pernicious to the least advantaged. The reform process especially privatization has thus been slower, smoother, less austere and corrupt in India than in Pakistan. Nonetheless, neither the Indian nor the Pakistani labor movement has been able to fully counter the process of informalization of employment,

although Indian labor organizations somehow managed to contained to some degree the deregulation of employment conditions and blocked some adjustment measures, most notably disinvestment of state-owned enterprises.

[6] The first chapter of the book broadly deals with the impact of workers and union movements on Indian and Pakistani politics from 1920 to present. Candland provides a useful account of the colonial genealogy of trade unionism, which initially took the shape of workers' aid organizations and of its divergent acclimatization in India and Pakistan. The impact of organized labor on political regime formation has indeed been more favorable for the development of democratic and social welfare institutions in India as it played an important role in the Indian nationalist movement, notably the All India Trade Union Congress (AITUC) created in 1920.

[7] The second chapter chronologically discusses the overall impact of workers and unions on the economic development of India and Pakistan, especially regarding the formulation of state economic ideologies and strategies, since 1920. In spite of different political regimes and ideological references, India and Pakistan developed broadly similar economic structures with a comparable degree of state intervention. However, Candland notes that different economic ideologies, largely shaped by the different nationalist movements, led to divergent degrees of labor incorporation. The Indian state, especially under Nehru, promoted a planned and social welfare model based on comprehensive state planning and state ownership and management of heavy industry and encouraged strong political party-based unionism. The Pakistani governments adopted neo-classical economic models of industrial growth through capital concentration, developed the public sector in order to create the foundation for the private sector, and favored a depoliticized and factory-based organized labor movement.

[8] The third and fourth chapters are essentially concerned with recent economic policies and their impact on workers and unions since the late 1970s. Chapter three describes the implementation of the structural adjustment programs (SAP) in India and Pakistan and analyses the impact of the divergent responses of workers and unions in both countries with regard to reforms, especially to privatization. By the end of the twentieth century, India and Pakistan have adopted similar International Monetary Fund-sponsored SAPs based on trade liberalization, privatization, and promotion of foreign direct investment. Implementation however took a very different form in each country mainly due to the dissimilarity of their respective organized labor regimes. Trade unions in India managed to slow the path of adjustment reforms and blocked the

privatization process whereas they have been unable to do so in Pakistan where privatization is complete.

[9] Chapter four tackles the repercussions of the SAPs on employment conditions, that have become more and more insecure and informal, and that increasingly rely on informal, especially female, labor. Although privatization has been stalled in India, a process of deregulation and disorganization of the labor force has allowed industrialists to evade labor law. The main means by which labor laws are circumvented is the subcontract labor system, under which workers are provided on demand through a labor contractor without any legal or moral obligations between the worker and his employer. Indian trade unions have denounced the subcontract labor system for its appalling working conditions, total lack of job security, lack of overtime pay and of accident compensation, and have accused the employers of trying to gain greater control over the production process by weakening the workplace strength of organized labor.

[10] The last chapter studies the strategies and the new forms of labor advocacy and organization promoted by unions in order to counter this downward trend. Trade unions in India have to rethink their ties to the state and political parties, as they can have divergent interests. The political interests that promote alliances between organized labor and political parties often lead to the fragmentation of the trade union movement. As a result, trade unions are deploying new union strategies, including inter-federation cooperation, trade union-social movement cooperation, support for workers' management schemes, and a renewed emphasis on workers' education. In Pakistan, labor federations created an umbrella organization, the Pakistan Workers' Confederation (PWC) in 1995, and political party, the Pakistan Labour Party in 1997, to better represent the workers' interests by overcoming the divisive logic of factory-based unions. In India, labor federations are becoming more independent from political parties and more and more aligned with social movements representing the large and growing informal sector as exemplified by the formation of the National Centre for Labour (NCL) in 1995, a coalition of informal sector unions, and the Self Employed Women's Association (SEWA), which focuses on women in the informal sector.

[11] While this book will be useful to students and the general public, it might not live up to the expectations of specialists. Indeed, it was perhaps overly ambitious to try and treat such a complex topic over such a long period, for two huge countries, in only 216 pages! The outcome is

that the complexity of the topic is necessarily over-simplified. It deserves to be discussed in greater detail and with more in-depth analysis.

[12] Whereas the author is cautious not to establish any causal link between development and democracy, he is less so concerning the relationship between civil society, here understood in terms of organized labor unions, and democratization. For Candland, organized labor unions are critical for strengthening and sustaining democracy because they mediate between capital and labor, and ensure a more equitable share of the gains of growth. However, and this is critically important in the South Asian context, it must be asserted that a strong and organized civil society does not necessarily lead to democracy, and that some groups within civil society are distinctly uncivil. In neglecting this crucial consideration, the argument Candland puts forward appears somewhat tautological.

[13] An aspect of workers' mobilization, particularly important in Pakistan and to a lesser extent in India, that is neglected by the author, is that workers tend more often than not to mobilize on the basis of ethnicity, language, and religion rather than on class lines. This situation has prevented the working class movements from developing broader, national working class consciousness. The fact that labor activism takes root in distinct, ethnically based neighborhoods contributes to the establishment of a patron-client relationship within the leadership structure and to strengthening the role of intermediaries in charge of ensuring the provision of basic services and the supply of jobs. Unions are hence expected to produce jobs and deliver on workers' demands rather than spearhead a democratic labor movement.

[14] Candland exclusively deals with organizations of the nonagricultural labor force within the 'organized sector', that is registered factories with relatively large numbers of employees. Although this restricted focus is well assumed by the author, and justified on the basis of data availability, it seriously weakens his thesis. If a correlation between unionism and democracy is to be legitimately postulated, the strength of labor, or Organizational Unity of Labor (OUL), would have to be measured according to a set of fixed criteria such as the number of trade unions and affiliates, the actual number of workers unionized, and their percentage of the total labor force, the degree of government control, and labor's right to strike, both on paper and in practice, criteria which must then be adapted to both the Indian and Pakistani contexts. As it is, the narrow focus of the analysis constitutes a serious limitation, as the ground reality is missing, given that barely five percent of the nonagricultural labor force is unionized. Furthermore, the number of unionized workers has decreased in recent years in relation to subcontracted workers,

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creating a degree of overlap between the formal and informal sectors, since the former depends increasingly on the latter. This situation would have required an analysis of the informal sector in order to be fully understood.

[15] Finally, it has to be said that most of these shortfalls could have been overcome if the body of text, currently only 166 pages, had been slightly expanded, which was probably not the choice of the author but of the editor, as it is the case of all the books published in the Contemporary South Asia Series of Routledge. It is moreover extremely regrettable that such a condensed and thematically broad book is sold at such an expensive price, 75 pounds, which will discourage most students and the general public, its natural market, from purchasing it. However, for those who can afford it, this book will provide a very useful introduction to the field of comparative labor studies in India and Pakistan.